

**Audit Committee  
Meeting Minutes  
January 27, 2006**

**Kiva Conference Room, First Floor, City Hall  
3939 North Drinkwater Boulevard  
Scottsdale, AZ 85251**

**Members Present:** Chairman Lane  
Committee Member Ecton  
Committee Member Osterman

**City Staff Present:** Cheryl Barcala, City Auditor  
Gail Crawford, Internal Auditor  
Mike Worth, Audit Associate  
Ramon Ramirez, Senior Auditor  
Mary Edmonds, Internal Auditor  
Roger Klingler, Assistant City Manager  
Lisa Blyler, Assistant to Mayor and Council  
John Little, Director of the Downtown Group  
Michelle Korf, Deputy Director of the Downtown Group  
Art Rullo, Budget Director  
Lisa Murphy, Accounting Director  
Paula Novacek, Accounting Coordinator  
Frank Jacobson, President & CEO, Scottsdale Cultural Council  
Valerie Vadala Homer, Vice President & Director, Scottsdale Cultural Council  
Scott McDaniel, Controller, Scottsdale Cultural Council  
Cathy Clardy Patterson, Chair, Scottsdale Cultural Council Board of Trustees  
Margaret Bruning, Associate Director, Scottsdale Cultural Council  
Scott Robertson, Chair, Scottsdale Public Art Board  
Audrey Horn, Member, Scottsdale Public Art Board  
Councilman Ron McCullagh

Chairman Lane called the meeting to order at 2 p.m.

Roll was taken with all members in attendance.

Committee Member Ecton made a motion to approve the minutes of the January 3, 2006, Audit Committee Meeting. Committee Member Osterman seconded the motion. The minutes were approved unanimously.

## **General Business:**

**Item 1** – Chairman Lane called for nominations of an Audit Committee Chair. Committee Member Ecton nominated Committee Member Osterman. Chairman Lane nominated Committee Member Ecton. Majority vote went to Committee Member Osterman who becomes Chair.

**Item 2a** – Discussion on the Compliance With the Ordinance for Public Art Audit. Cheryl Barcala provided an overview of the findings in the report.

Chairman Osterman asked for clarification on the timeline for the Committee to review the contract. Mr. Little stated that it would be this year. Cathy Patterson stated that members of the Committee had been appointed and they are – Gail Bradley, Richard Hayslip, and Louise Roman.

Chairman Osterman asked for comments from Cultural Council staff in attendance. Cathy Patterson indicated that new controls are being worked on. Frank Jacobson stated that the report pointed out some weaknesses and were acknowledged. Audrey Horn stated that there was a tremendous amount of cooperation between the City and the Cultural Council.

**Item 2b** – Discussion on the WestWorld – Compliance With the Cost-Sharing and Land Use Agreement Audit. Ramon Ramirez provided an overview of the Bureau of Reclamation's (BOR) position, which was very positive.

Mr. Ramirez indicated that an issue came to our attention that was outside the scope of this audit. This issue relates to the Basin Management Fund and we recommend a separate audit to resolve the issues.

**Item 3** – Discussion to revise the 2006 Proposed Audit Plan.

Committee Member Ecton made a motion to remove item 13, *Citywide Contract Administration Review*. Committee Member Lane seconded the motion. Motion carried unanimously.

Committee Member Lane made a motion to amend the wording of the scope in item 21 by removing "hiring and." Committee Member Ecton seconded the motion. Motion carried unanimously.

Committee Member Lane made a motion to amend the title of item 24 by adding "of Information Systems." Committee Member Ecton seconded the motion. Motion carried unanimously.

Committee Member Lane made a motion to amend the title and scope of item 26 to read, "hard drives" instead of "hard disks." Committee Member Ecton seconded the motion. Motion carried unanimously.

**Item 4 – Discussion on report preparation and format.**

Committee Member Lane made a motion to change the current process in developing recommendations to one of relying on management to develop resolutions to conditions with City Auditor responses to those resolutions. Committee Member Ecton seconded the motion. Motion carried unanimously.

**Public Comments – None.**

**Committee Comments – None.**

With no further business to discuss, Committee Member Lane made a motion to adjourn the public meeting of the Audit Committee. Committee Member Ecton seconded the motion and the motion carried. The Audit Committee Meeting was adjourned at 4:05 p.m.

Respectfully submitted,

Gail Crawford